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SIPDIS

STATE FOR IO/T AND ISN/MNSA; COMMERCE FOR SARAH LOPP

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TAGS: [ENRG](#) [IAEA](#) [ETTC](#) [KNNP](#) [MNUC](#) [PARM](#) [TRGY](#) [BEXP](#) [SY](#)
SUBJECT: IAEA/TECHNICAL COOPERATION: SECRETARIAT SAYS SYRIA
POWER PLANT FEASIBILITY PROJECT IS INACTIVE; ASIAN TC
SUFFERING STAFF SHORTFALL

REF: (A) 08 STATE 127578 (B) 08 UNVIE 640 AND PREVIOUS

Classified By: Ambassador Gregory L. Schulte for reasons 1.4 b and d

Syrian TC Project Going Nowhere

11. (C) DCM and Canadian colleague Terry Wood met with the IAEA's new Director for Technical Cooperation (TC) in Asia, Mr. Dazhu Yang, March 20 to probe the status of the controversial Syria TC project "Conducting a Technical and Economic Feasibility Study and Site Selection for a Nuclear Power Plant." Both the U.S. and Canada reiterated concerns surrounding the project and pressed Yang to ensure that close monitoring and reporting to Member States, per the November 2008 Board Decision (ref B), be adhered to. Yang affirmed the TC Division would follow the Board decision and report on the TC project as appropriate. When pressed on project implementation, Yang said the project has not yet been implemented because Syria has not paid its National Participation Cost (NPC). (NOTE: NPCs usually total 5 percent of the project and are paid in two installments of 2.5 percent at the beginning and end of a project. END NOTE) Yang did not provide further detail on project design or what would happen if Syria paid the initial 2.5 percent of the NPC. Responding to questions on Syrian participation in regional and interregional projects, Yang shared that the ARASIA regional project was meeting in Syria the week of March 23 and that Syria will continue to be invited to regional and interregional meetings on a variety of topics.

12. (C) In a separate conversation with former TC Asia Director Peter Salema on March 16, msnoffs were told the Syrian TC project on nuclear power feasibility has "gone into hibernation." Salema shared that immediately after the November 2008 Board he had instructed the Syria TC Program Manager to slow the implementation process down. Salema said that to date no activity had happened on this project. Salema's view is that Syria does not want to engage with the Secretariat on the project because one of the first steps would be to convene a workshop with Syria to review the IAEA's "Milestones" for nuclear development document. Such a workshop would require Syria to come to the table prepared to have an open and transparent discussion about existing infrastructure relevant to nuclear power plant feasibility. This would allow the TC Division to understand Syria's capabilities for this project. Salema suspects that the Syrians do not want to engage the IAEA in such a discussion while the safeguards investigation of the Al-Kibar reactor remains very much an open issue.

TC in Asia

13. (C) Beyond specific discussion of Syria, new regional director Yang informed the two DCMs briefly about his top priorities, focusing primarily on raising the implementation rate of TC projects in his region. The low rate of implementation reflected that many countries in the Middle East and across Asia are politically sensitive, and the tenuous security situation in some does not allow for in-country work. He also faces a staffing challenge as some senior TC staff are leaving, new people are joining who have to learn the job, and cost free experts (CFE) are drying up. Yang shared that Japan had withdrawn a private sector industry CFE from TC who formerly coordinated regional and interregional projects for TC. DCM noted the growing interest of U.S. companies in IAEA promotional activities.

14. (U) Comment: Mission recommends interagency consideration of providing a CFE to the TC division since this region is of high interest and spans the Middle East to Asia. The U.S. currently does not have a CFE in the TC division. The addition of a strong American CFE with strategic planning and nuclear energy development background would benefit the Agency as a whole. Alternately, this may be an occasion to follow-up the idea that surfaced during last year's U.S. industry visit to Vienna of finding a U.S. private sector CFE who could work with countries in Asia embarking on civilian nuclear power.
SCHULTE